

THE 1949-50 PROGRAMME

of

TURKEY

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GENERAL OBSERVATIONS

The 1949-50 annual programme was prepared as an integral part of the Long-Term Programme and will be an important step towards the final objective.

Turkey, being an undeveloped country, differs entirely from the economic point of view from other participating countries. This is why it has been thought necessary to describe briefly some of its salient features.

TURKISH ECONOMIC STRUCTURE

Turkey is capable of considerable expansion and development as regards both agriculture and its subsoil. It possesses, in the agricultural field, vast tracts of land which could yield very good returns. Owing to its exceptional geographical position, it has an extremely varied climate which would enable it to cultivate almost all the agricultural products sought by participating countries.

The Turkish subsoil is also especially rich in ores, chrome, copper, coal, etc... Recent prospecting disclosed the existence of oil fields.

The development of these resources and of this natural wealth could not be efficiently achieved by national efforts alone, if the latter were not encouraged, in a spirit of collaboration, by extraordinary outside aid.

As is very clearly shown in the memorandum on the Long-Term Programme, in order to reach in 1952 a level of activity enabling it to pursue economic recovery without extraordinary outside aid, Turkey intends to increase its agricultural and mining output by adding to its own resources the credits it hopes to obtain from the E.R.P., to export its surplus production and, lastly, to develop already existing industries and those new

industries which it will be essential to establish, to a point where they will be capable of satisfying at any rate a part of its domestic consumption requirements.

Since the programme prepared for 1949-50 is designed to be an important step towards the achievement of this aim, it is certain that the Turkish requests which represent real and urgent requirements, should be considered with all the attention that they deserve. The carrying out of the 1949-50 programme will depend upon the prompt supply of the machinery and agricultural equipment and on that of the necessary fuels, mining and oil equipment, means of transport and mechanical equipment that it most urgently requires.

Since Turkey is one of the participating countries which exports foodstuffs, coal, and strategic materials, the supply of which presents a major economic difficulty at the present stage, the achievement of this programme would also help the requirements of member countries.

The principles underlying this programme are, first, economy in the expenditure of dollars, both on Turkey's own requirements and on the requirements of other countries and, secondly, the increase of dollar earnings by the development of exports to the Western Hemisphere.

AGRICULTURAL PRODUCTS

Cereals are Turkey's staple food. The increase in the Turkish population (approximately 1.1 %) obviously involves the need for a corresponding increase in the production of cereals and other foodstuffs. The supply of agricultural equipment, particulars of which were given in the Turkish Long-Term Programme, will enable Turkey to increase its agricultural production to cover the expanding home consumption requirements while affording the prospect of increased exports of foodstuffs. The completion of the 1948-49 programme has already shown the possibility of exporting 150,000 tons of cereals besides large quantities of meat, oil-seeds, vegetables, cotton and other agricultural products.

OIL AND SOLID FUELS

Turkish requirements of oil products are rapidly and steadily increasing. It is anticipated that imports of this type of fuel, which now amount to \$25 million per year, will rise to \$40 million during the next few years. The preliminary prospecting carried out in East Turkey during the last few years has proved the existence of oil fields in that area.

In order to speed up research work and the possibilities of exploitation Turkey requires suitable equipment. An amount of \$5 million E.R.P. Aid has therefore been requested in its 1949-50 programme.

Turkey has important coal reserves. However, owing to lack of modern equipment and the deterioration of existing installations during the war years, production barely meets home consumption needs.

It is estimated that the putting into operation of the equipment for coal and brown coal mining requested in the 1948-49 and 1949-50 programmes, will enable Turkey not only to meet home demand but also to export.

ELECTRIC POWER

To meet the constantly increasing needs of industry and home consumption, Turkey has prepared, with the help of international experts, a programme for the electrification of the country.

As a first step, the construction of two large power stations has been undertaken, a thermic power station using low grade brown coal with an output of $3 \times 20,000$ kW and a hydraulic power station with an output of $2 \times 13,200$ kW.

Furthermore, power transmission cables (about 450 kilometres) are being erected.

The achievement of this programme will enable Turkey to save 250,000 tons per year of high-grade coal which will be earmarked for export.

NOTE. — The detailed Turkish programme for the mining and electrical equipment has already been handed to the Organisation and circulated with the quarterly programmes to the representatives of participating countries by the Coal Committee (26th May 1948, CO (48) EL 48"/2).

INDUSTRY

Turkey's industry is not highly developed and it therefore imports the majority of its requirements of industrial goods. However, the creation of industries for agricultural recovery, which has been delayed up to now by shortage of outside credits, has become imperative and urgent.

For its agricultural requirements, as has been pointed out in the Long-Term Programme, Turkey must create a nitrogenous fertilisers industry.

It is also necessary to expand the cement industry, to deal with the building problem and to carry out plans for irrigation.

COMMUNICATIONS

Neither the existing road network or railway system in Turkey can possibly, in their present state, be considered as meeting the requirements of the country. The increase of production, and the increase of traffic, consequent on the development of imports and exports, the equipment of the forestry industry and the rational exploitation of forestry resources will bring new transport problems in their train. Turkey's economic recovery must therefore depend upon the construction of new communication networks.

LEVELS OF CONSUMPTION

Turkey, with 20,000,000 inhabitants, is a country whose economic structure suffers from lack of machinery and of modern equipment.

Its economic potential is, at the present moment, far from sufficient for its requirements, and its consumption level as a whole is very low, amounting to 1.75 kilos of cotton goods, 0.320 kilos of wool, 180 kilos of cereals for towns and 250 kilos for rural districts, 5 kilos of sugar, 5.7 kilos of fats or oil, 7 kilos of meat, 2 kilos of paper, and 360 grammes of newsprint per capita per annum.

Nevertheless, as has been frequently stated in the present memorandum and in the memorandum on the Long-Term Programme, Turkey owns large agricultural and mining resources, which are capable of ensuring recovery within a very short period. Whether this latent potential can be made available to meet domestic requirements and the requirements of other countries mainly depends on Turkey receiving quickly the equipment, machinery, and modern transport equipment it requires.

BALANCE OF PAYMENTS

Since Turkey is a new country, its balance of payments position differs considerably in many features from the payment balances of countries which are highly industrialised. It owns no capital abroad. Its merchant fleet is barely highly industrialised. It owns no capital abroad. Its merchant fleet is barely adequate for transport along the lengthy coastline of the country and brings in no foreign currency. Other invisible receipts are insignificant or non-existent. Under such conditions, the burden of meeting the deficit of the balance of payments is almost entirely borne by the export trade.

The resources of the soil and of the sub-soil, though considerable are not yet efficiently exploited owing to lack of capital and of appropriate equipment.

The Turkish Government, in drawing up the 1949-50 programme, has therefore made allowance for this deficiency, and considered of primary importance the necessity of providing the country with modern and adequate equipment for agriculture, mining and communications. The supply to Turkey of this urgently needed equipment will enable it to increase its production and to save expenditure in foreign currency on freight on exports and imports.

Turkey's trade balance, which, for the reasons mentioned, is the most important item in the Turkish balance of payments has been established so as to allow :

(a) For the saving of dollars by reducing as much as possible imports from the Western Hemisphere, while endeavouring to increase exports to that area;

(b) For the uncrease in exports of products in short supply in Europe, the purchase of which entails, for the participating countries, payments in dollars. This is the contribution which Turkey is making, so far as it is able, to the common effort of member countries to recover equilibrium within the Dollar Area.

The great importance should here be stressed which participating countries should, Turkey feels, attach to considering in the first place the possibility of purchasing traditional export products of member countries, before seeking to purchase such products for dollars.

It is only in this spirit of reciprocal collaboration and understanding that the common goal of mutual recovery can hope to be attained.

The E.R.P. Aid asked by Turkey for the achievement of part of its economic programme represents a sum of \$ 94.232 million distributed as follows :

DOLLARS	
63,560,000	Equipment
9,700,000	Ships
915,000	Fertilisers and other chemical products
10,000,000	Oil products
7,057,000	Finished products
3,000,000	Freight
91,232,000	